

Message Text

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70

ACTION XMB-07

INFO OCT-01 ARA-16 ADP-00 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 OPIC-12 SCEM-02 INT-08

FPC-01 EA-11 RSR-01 /141 W

----- 076930

R 272211Z JUL 73

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 8142

INFO AMCONSUL GUAYAQUIL

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E.O. 11652: N/A

TAGS: ETRD, EC

SUBJECT: EXIMBANK FINANCING OF CEPE PETROLEUM REFINERY

REF: STATE 144200

1. IN REPLY TO PARAGRAPHS 6 AND 7 OF REFTTEL, EMBASSY CONSULTED BOTH CHIEF UN ADVISER TO MINISTRY OF NATURAL RESOURCES, FERNANDO SALAS, AND TECHNICAL DIRECTOR OF CEPE, JOSE PENAFIEL. SALAS IS WELL INFORMED ON MINISTRY THINKING, WHILE PENAFIEL IS CEPE OFFICIAL IN CHARGE OF FINANCING ASPECT OF REFINERY.

2. SALAS WAS ENTHUSIASTIC OVER POSSIBILITY OF EXIM PC FOR CEPE, AND THOUGHT CEPE WOULD REACT FAVORABLY. HE ADDED, HOWEVER, THAT IT WAS UNFORTUNATE THAT THIS POSSIBILITY HAD NOT COME TO LIGHT BEFORE NOW. WITH BID DEADLINE SET FOR AUGUST 6, RECEIPT OF PC AFTER THAT DATE WILL GIVE IMPRESSION THAT EXIMBANK IS TRYING TO INFLUENCE GOE DECISION IN FAVOR OF MCKEE CTIP GETTING CONTRACT. SALAS ALSO ASKED IF ANY PC WOULD COVER LOCAL COSTS, WHICH WOULD BE LARGE SHARE OF TOTAL COST OF REFINERY. SALAS ALSO SUGGESTED EMBASSY APPROACH MINISTER OF NATURAL RESOURCES FOR HIS COMMENTS.

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3. PENAFIEL, IN PRESENCE OF CEPE PRODUCTION DIRECTOR, COMMENTED THAT PC FOR CEPE WOULD BE ADVANTAGEOUS AND HE APPEARED VERY INTERESTED. HE SAID THAT AFTER CONSULTATION WITH OTHER CEPE OFFICIALS HE WOULD INFORM EMBASSY WHETHER CEPE WOULD FORWARD APPLICATION TO EXIMBANK THROUGH EMBASSY. PENAFIEL DID NOT BELIEVE IT POSSIBLE TO MAKE APPLICATION IF SUCH REQUIRES FORWARDING A COPY OF UOP SPECIFICATIONS TO EXIMBANK.

4. CEPE, SAID PENAFIEL, ALREADY HAS OFFERS OF FINANCING FROM BANK OF LONDON, BANK OF AMERICA, AND PRIVATE CONSORTIUMS. HE DID NOT SPECIFY INTEREST RATES, BUT GAVE IMPRESSION THAT COMMITMENTS WERE FOR ONLY PART OF TOTAL COSTS AND COMPLICATED IN STRUCTURE.

5. PENDING FORTHCOMING COMMENTS ON REMAINING POINTS OF REFTEL, EMBASSY SUGGESTS DELAYING ANY COMMITMENT TO JAPANESE FIRMS.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 27 JUL 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973QUITO03912
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
Reference: 73 STATE 144200
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Review Authority: garlanwa
Review Comment: n/a
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Review Event:
Review Exemptions: n/a
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US Department of State
EO Systematic Review
30 JUN 2005

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TAGS: ETRD, EC
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